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FILE DESIGNATION

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CA-5457

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TO : USMISSION OECD PARIS

INFO : Amembassy BONN Amembassy THE HAGUE
Amembassy LONDON Amembassy ROME
Amembassy TOKYO Amembassy BRUSSELS
Amembassy PARIS

OCT 23 4 10 PM '70

FROM : Department of State

DATE:

SUBJECT : EXCON: Computer Guidelines

REF :

The USDEL is requested to submit the following proposal for consideration by COCOM:

"In order to facilitate the consideration by governments of computer exception cases, the United States proposes that COCOM establish a uniform procedure for review of these cases against an agreed set of guidelines. The United States authorities have prepared and are employing such guidelines in reviewing proposed exports for computers exceeding the technical limits of Note 4 to IL 1565. It is not intended to change the embargo definitions in any way, or to require that proposals for exceptions necessarily satisfy all of the guidelines. Rather, to the degree that they are satisfied, the proposed export may be deemed to constitute less of a threat to Western security. In reviewing cases US licensing officials will apply their general authority to require applicants to determine in particular cases whether a proposed transaction complies with the standards set forth in the guidelines. The information required will vary depending on the nature of the transaction, the end use, the end user, and the extent to which the computer's capability exceeds Note 4, taking into account the significance of the deviation. Each individual exception case will be judged on its own merits according to the conditions for approval which have been established.

The application of these guidelines, particularly uniform procedures relating to pre-shipment assurances and monitoring of end-use after delivery, will reduce the risk of diversion of the

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Drafting Date:

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mat

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computers themselves or diversion of some or all of their computational capability to uses other than those for which the exports were approved. The Soviets need additional high-speed computers for weapons design and testing and for space and intelligence systems. Although in the long run the acquisition of technology would be of greater advantage to them, access to additional computers can make computing capacity available several year earlier than would the acquisition of technology.

At present it is relatively easy to divert a computer to unauthorized uses, and such diversion is extremely difficult to detect. The risk of diversion is of course greater for computers which significantly exceed the Note 4 technical limits, and it is hoped that exception requests involving such machines will be few in number. The damage to Western interests would be much higher for a large machine diverted to Soviet strategic purposes than for one diverted to Eastern European military applications; the Soviets probably could use the machine more effectively and find applications more damaging to Western interests. In contrast, a machine probably would need to be moved physically from Eastern Europe to the Soviet Union in order to achieve any substantial diversion to Soviet use. Moreover, inspection and end use monitoring is easier in Eastern Europe.

For the foregoing reasons the United States proposes that the guidelines be adopted for general use by the Committee and would appreciate the views of member governments."

FYI: Suggest you express appreciation bilaterally to those delegates whose governments have given advance consideration to the proposal and request their support in seeking early Committee approval. We hope that the experts assembled to deal with our computer manufacturing equipment proposal can also examine this proposal on guidelines.

END FYI

IRWIN II, ACTING

ANNEX: Computer Guidelines

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